



MICHIGAN DISABILITY RIGHTS COALITION
WITH LIBERTY AND ACCESS FOR ALL

November 19, 2012

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Dear Chairman Lund and House Insurance Committee Members:

Michigan Disability Rights Coalition (MDRC) is a statewide 501(c)3 non-profit organization of people with disabilities and their allies. We work with organizations and individuals to build fair and inclusive communities.

MDRC is concerned about the impact SB 1293 and SB 1294 will have on the availability of Medigap policies for people with disabilities and older adults. Medicare does not only cover older adults, it also covers people under age 65 yrs. who have disabilities. The supplemental Medigap policies are essential for their access to quality health care. The availability and affordability of these policies needs to be protected beyond 2016 and into the future.

The Affordable Care Act does not make a Medigap insurer of last resort any less necessary – arguably it make these policies more necessary. The typical Medicare Advantage Plan does not provide the same level of coverage as does a good Medigap Plan.

Some of the impact of the proposed legislation:

- Blue Cross is currently spending more than \$391 million on social mission spending . The proposed legislation has only an average of \$83 milion per year going to the new Foundation to replace that social mission spending. The disability and aging communities will be greatly impacted by a reduction in social mission spending of over \$300 million per year in Michigan
- 2000,000 Michiganders with BCBSM Medigap could face at least \$1.7 billion in rate hikes beginning in 2016
- Many Michiganders with disabilities will be unable to find affordable Medigap coverage

There are other options other than the transformation of BCBSM to a Non-profit Mutual Insurance Co. that will allow it to have a level playing field in the Exchange under the Affordable Care Act. We ask that defeat, or at least slow down, this legislation and allow that those other options be carefully considered. The well-being of Michigan's citizens with disabilities and older adults rests in the balance.

Thank you.

Norm DeLisle, Executive Director